Accelerated implementation of the income tax rate reductions. The tax rate reductions enacted earlier this year constitute sound long-term tax policy, but many of the pro-growth elements do not take effect until 2004, 2006, and 2010. This means the additional growth will not take effect until that time. The rate reductions, IRA expansions, and death tax repeal should be made effective as of September 11, 2001.

Capital gains tax rate reduction. The capital gains tax is a form of double taxation that penalizes risk-taking and entrepreneurship. This tax should not exist, and it certainly imposes significant economic damage in today's uncertain environment. A large—and permanent—reduction in the capital gains tax will stimulate new investment and more productive use of capital.

We look forward to working with you to rebuild America and restore economic growth. Thank you for your attention to this critical issue.

Sincerely,

Paul Beckner, President, Citizens for a Sound Economy; John Berthoud, President, National Taxpayers Union; David Burton, Senior Fellow, Prosperity Institute; Steve Entin, President and Executive Director, Institute for Research on the Economics of Taxation; Robert Funk, Executive Director, American Shareholders Alliance; James Gattuso, Vice-President for Policy, Competitive Enterprise Institute; Tom Giovanetti, President, Institute for Policy Innovation; Lawrence Hunter, Chief Economist, Empower America; Charles W. Jarvis, Chairman and CEO, United Seniors Association; Dave Keene, Chairman, American Conservative Union; Karen Kerrigan, Chairman, Small Business Survival Committee; Jim Martin, President, 60 Plus Association.

Dan Mitchell, McKenna Senior Fellow in Political Economy, Heritage Foundation; Steve Moore, President, Club for Growth; Grover Norquist, President, Americans for Tax Reform; Duane Parde, Executive Director, American Legislative Exchange Council; Andrew F. Quinlan, President and CEO, Center for Freedom and Prosperity; Richard Rahn, Senior Fellow, Discovery Institute; Gary Robbins, President, Fiscal Associates; Paul Craig Roberts, former Assistant Secretary of Treasury for Economic Policy; Terrence Scanlon, President, Capitol Research Center; Tom Schatz, President, Citizens Against Government Waste; Lew Uhler, President, National Tax Limitation Committee.

*Organizational affiliations are included for identification purposes only.

Identical letters were sent to the following: Speaker of the House Dennis Hastert, House Minority Leader Richard Gephardt, Senate Majority Leader Thomas Daschle, and Senate Minority Leader Trent Lott.

PERSONAL EXPLANATION

HON. JIM TURNER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 25, 2001

Mr. TURNER. Mr. Speaker, on Friday, September 21, I was unavoidably detained and missed rollcall vote 344. Had I been present, I would have voted ''aye.''

THE HOME EQUITY LOSS PREVENTION AND ECONOMIC RECOVERY ACT

HON. MAXINE WATERS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 25, 2001

Ms. WATERS. Mr. Speaker, I rise to introduce legislation which I believe is critically necessary at this time. My bill, the ''Home Equity Loss Prevention and Economic Recovery Act'' or HELPER, will restore the tax deduction for personal interest, such as that on automobile loans and credit card debt. It will also eliminate the limitations on the deduction of student loan interest.

This legislation will help prevent the reprehensible practice of stripping home equity to pay nondeductible debt. I have been working on ways to stem predatory lending for years. These practices often end in families losing their homes. I decided to turn to the tax code to eviscerate this problem of predatory lending, known as home equity stripping.

Home equity loans have historically been the privilege of the middle class and wealthy, who generally have high credit ratings, income, and home equity. However, beginning in the 1980s, non-depository finance companies—lending institutions other than commercial banks, thrifts, and credit unions—began to provide home equity loans to lower-income communities, which were not served by mainstream lenders.

Persons in low-income communities typically have little disposable income, but may have substantial home equity as a result of paying down their mortgages or through the appreciation of their property values. This equity can secure sizable loans. While offering loans to low-income and minority communities can benefit these communities, predatory lending practices, which oftentimes use the borrowers' home as collateral, have milked the last drops of wealth from many of these neighborhoods, leading to increased poverty and public dependence.

When vulnerable persons incur substantial medical costs, suffer sudden loss of income, require credit consolidation, or need funds to maintain their homes, predatory lenders step in, offering loans secured by the borrower's equity. Unfortunately, predatory home equity lenders target the most vulnerable homeowners—the elderly and people in financial or personal crisis.

The primary selling tools of these loans is the need to consolidate debt on which the interest is not deductible into a home equity loan, so that the interest can be deducted. Individuals with car loans, credit card debt and certain student loans cannot deduct the interest paid on these loans from their taxes. Often, these individuals will strip equity from their homes and pay high fees in an effort to consolidate this debt into one loan on which the interest is deductible. Frequently, these transactions involve high fees which offset any tax benefit that may be realized. Furthermore, after a loan consolidation, many consumers will accrue additional credit card debt.

My bill will remove the greatest incentive for equity stripping by making the interest on personal loans deductible, meaning that people with car loans, credit card debt and student loans that fall outside of current parameters, will now be able to deduct the interest they pay for these loans. The deductibility of the interest will lower the cost of borrowing for individuals and will prevent many individuals from overextending themselves in an effort to reap tax benefits.

I have been working on this legislation for several months, but decided that now is the appropriate time, because it has the potential to provide much needed economic stimulus. People will keep more of their money with these deductions, and will not be encouraged to pay high fees and risk losing their homes. I think that the time is right to restore the deductibility of personal interest and I would urge my colleagues to support this legislation.

AIR TRANSPORTATION SAFETY AND SYSTEM STABILIZATION BILL

SPEECH OF

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, September 21, 2001

Ms. DELAURO. Mr. Speaker, today I rise with troubled conscience, to vote for the Air Transportation Safety and System Stabilization Bill. The events of September 11, 2001 marked one of the darkest moments in our country's history. On that day, terrorists struck at the heart of our social and economic fabric and the ripple effects of this tragedy are still being felt. In particular, the airline industry was severely impacted, resulting in tremendous economic hardship for the carriers, the people who work for them and the travel industry as a whole. This bill will allow the airlines to continue flying; provide for the security of our airports and airways; and grant critical compensation to the families of victims of last week's heinous and barbaric attack. For these reasons, I hesitate to vote no.

Nonetheless, the bill does little for more than a hundred-thousand workers laid off as a result of this tragedy, nor does it help the employees in associated industries, such as engine and parts manufacturers, hotels, restaurants, travel agencies, limousines and rental car services, and all the others now facing lay-offs. I have serious reservations that if these concerns are not addressed in concert with this legislation, millions of laid-off workers and their families will be left behind with no guarantee that they will retain their unemployment benefits, health care benefits or receive any re-training opportunities.

The security provisions in this bill do not go far enough. The airline industry has repeatedly fought the government tooth and nail over increased airline and airport security measures and efforts to improve customer service. We cannot afford for them to fail, but they deserve a stern warning, not just a check.

I had sincerely hoped that last week's tragic events would have brought this Congress together in a bipartisan fashion to help everyone facing economic hardship. I look forward to legislation next week that brings relief and protection to those already unemployed and to the thousands of additional workers whose jobs are in jeopardy.